Latvia. As in Estonia, the co-operative system of Latvia had been somewhat highly developed before the War. However, the disorganization caused by the War and the inflation made a fresh start necessary. There was a rapid increase of consumers' co-operatives in 1920 and 1921, followed rather later by a similar increase in co-operative credit societies and co-operative dairies. On the whole, development was rather uneven, owing to the enormous demand for agricultural machinery, seed, and plant resulting from the devastation of the War; but a large group was soon evolved which was known as *Konsums*. This group lent money on the security of land, supplied farmers on credit with agricultural and dairy machinery and artificial manure, and was at one period commissioned by the Government to buy grain and flax for export purposes. Apart from the expansion of *Konsums* during these years the most notable feature was the growth of co-operative dairies, which by the end of the period numbered more than 400, with a total membership of more than 20,000.

Lithuania. The growth of co-operation in Lithuania was rather greater, and the field covered rather wider, than in the other two countries. This may perhaps be explained by the almost entire absence of any financial organization in Lithuania immediately after the War, which was not the case in the other countries. The growth of co-operation was very rapid, and by the end of 1927 there were no less than 2,089 co-operatives in existence, 640 of which were consumers' societies, 473 dairy co-operatives, and 587 credit co-operatives. The export of Lithuanian butter on the scale achieved during this period would probably never have become possible without the assistance of the *Pienocentras* co-operative organization. The same may be said of the export of bacon and live stock which was effected through *Maistas*, an organization controlled by the agricultural co-operatives' union (*Lietukis*) and the Farmers' Union, both agricultural co-operatives which, in addition to fostering pig-breeding, supply the farmers with fertilizers, seeds, and agricultural machinery.

2. Agriculture

(i) *Cereals.*

The area under cereals was comparatively small except in Lithuania. During 1926–30 the average annual percentage of the total area under rye, oats, barley, wheat, and mealin was 10·5 for Estonia, 12·9 for Latvia, and 23·0 for Lithuania, but a proportionately larger area of Estonia and Latvia is covered by forest. However, both Estonia and Latvia were regularly compelled to import large quantities of grain during the period, chiefly rye, while Lithuania normally had a surplus for export.

243 311 The chief developments during the period can be seen from the following table:

TABLE 16. *Agricultural Development*

	Area under crop annual average ('000 ha.)			*Production annual average ('000 quintals)*			*Yield per ha. annual average (quintals per ha.)*		
	1909–13	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*
Rye									
Estonia .	160	159	142	1,852	1,639	1,594	11·0	10·3	12·1
Latvia .	351*	252	254	3,254*	2,422	2,471	9·3*	9·6	9·7
Lithuania .	552*	557†	471	4,967*	5,948†	5,184	9·0*	10·7†	10·8
Oats									
Estonia .	135	155	144	1,234	1,380	1,273	9·2	8·9	8·6
Latvia .	306*	300	297	2,790*	2,642	2,561	9·1*	8·8	8·0
Lithuania .	317*	332†	335	2,659*	3,318†	3,370	8·4*	10·0†	9·4
Barley									
Estonia .	132	123	114	1,348	1,190	1,139	10·2	9·7	9·9
Latvia .	191*	167	176	1,728*	1,519	1,570	9·1*	9·1	8·8
Lithuania .	163*	187†	201	1,588*	2,150†	2,113	8·7*	11·5†	10·7
Wheat									
Estonia .	..	19	30	..	182	321	..	9·6	10·7
Latvia .	33	36	61	384	388	731	11·8*	10·8	11·8
Lithuania .	82	90†	163	853†	1,019†	1,859	10·4*	11·3†	11·9

* Not including the whole territory. † 1922–5.

As in the pre-War period, rye and oats continued to be the chief crops. The principal developments after the War were firstly an increase in the acreage under wheat and in the gross production of that crop. This was largely because these countries had obtained their wheat before the War from the other provinces of Russia, and were now forced to grow their own. The other tendency to be noted is a general decline from the pre-War figures in the yield and production of rye, oats, and barley, except in Lithuania. The explanation lies in the dislocation caused by the redistribution of land, for the new methods introduced had hardly begun to affect production by 1930, and during this period the agricultural organization of Estonia and Latvia was in general less efficient than before the War, when the large landowners were in possession. Moreover, during the years 1926–30 there were several exceptionally bad harvests. In Lithuania, on the other hand, there was a remarkable growth of efficiency as compared with the pre-War period, when the land tended to be neglected by the big owners, and the small-holders were ignorant of modern methods.[1] There was thus a considerable increase in yield and production.

[1] e.g. the rotation of crops was rarely practised before the War. See Dr. O. Lehnich, *Währung und Wirtschaft in Polen, Litauen, Lettland und Estland*, Berlin, 1923, p. 186.

Governments of these two States did much to compensate the agricultural class as a whole for falls in the price of their staple products. No such policy was possible in a country such as Lithuania, where agricultural production could not readily be increased. Here the situation was aggravated by the economic difficulties with Germany arising out of the Memel question,[1] and the position of the peasant long remained miserable. It was stated in November 1935 that 'in spite of all the relief afforded directly and indirectly by the Government, farmers are thrown back on their own resources, even to the wearing of home-spun cloth and straw shoes'.[2]

Since 1935, however, prices have risen appreciably in all three countries, and even in Lithuania, where the gold content of the currency has remained the same throughout, the increase has been substantial. The rise gathered momentum during the earlier part of 1937 and, though most prices have since fallen somewhat, the effect upon the position of the farmer has been enormous. The resulting increase in the purchasing power of the agricultural population has, in fact, been the basis of the active industrial conditions which persisted in Estonia and Latvia during 1936 and 1937–8, and of the considerable increase in Lithuania's imports in 1937, most of which are of an industrial nature.

3. Agriculture

The production of cereals over the period is shown in the following table:

Table 33. *Cereal production*

	Area under crop (thousand ha.)				*Production (thousand quintals)*				*Yield (quintals per ha.)*			
	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**
Wheat												
Estonia	30	56	66	68	231	634	662	753	10·7	11·3	10·0	11·1
Latvia	61	119	129	137	731	1,632	1,435	1,715	11·8	13·7	11·1	12·5
Lithuania	163	205	196	209	1,859	2,533	2,189	2,174	11·9	12·4	11·0	10·4
Barley												
Estonia	114	107	101	89	1,139	1,034	868	819	9·9	9·7	8·6	9·2
Latvia	176	185	189	182	1,570	2,004	1,650	2,514	8·8	10·8	8·7	13·0
Lithuania	201	202	214	214	2,113	2,435	2,336	2,471	10·7	12·1	10·9	11·5
Rye												
Estonia	143	147	137	149	1,594	1,907	1,535	2,089	12·1	13·0	11·2	13·8
Latvia	284	253	258	288	2,471	3,146	2,560	4,214	9·7	12·4	11·1	14·6
Lithuania	471	498	492	510	5,184	5,691	5,414	6,009	10·8	11·4	11·0	11·8
Oats												
Estonia	144	142	138	145	1,273	1,409	1,138	1,437	8·6	9·9	8·2	9·9
Latvia	297	317	339	335	2,561	3,543	2,844	4,049	8·0	11·2	8·4	12·1
Lithuania	335	350	357	348	3,370	3,735	3,316	3,898	9·4	10·7	9·3	11·2

* 1937: provisional figures only.

[1] See below, p. 167.

[2] D.O.T.: *Economic Conditions in Lithuania, November 1935*, publ. 1936, p. 24.

The remarkable increase[1] shown in production since 1930 is partly, no doubt, due to the poor harvests in the 1926–30 period and also to the effects of the agricultural reforms carried out immediately after the War, which had scarcely had time to appear by 1930. But, both in Estonia and Latvia, the shortage of exchange induced the Government to encourage the farmers to bring more land under grain, particularly wheat, which to a large extent had been imported before this period. The average acreage under the four principal cereal crops increased by 5·1 per cent. in Estonia, 7·3 per cent. in Lithuania, and as much as 10·9 per cent. in Latvia, as between 1926–30 and 1931–5, and production of wheat was nearly doubled in Estonia between 1926–30 and 1931–5, more than doubled in Latvia. There was also a heavy increase in rye production;[2] and, as will be seen, both countries have practically ceased to import grain in normal years. Agricultural efficiency, too, has increased; in every case but one in the above table there was a rise in the yield per ha. as between 1926–30 and 1931–5. Government assistance, especially in technical education, the provision of seed, and the drainage of marsh land, was largely responsible for this development.

Progress during these years was similar as regards most of the other principal crops, especially potatoes, where there was a remarkable increase both in production and yield:

TABLE 34. *Potato Production*

	Area under crop (thousand ha.)				*Production (thousand quintals)*				*Yield (quintals per ha.)*			
	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**
Estonia	67	70	74	76	7,870	8,742	10,306	9,160	113·0	124·9	139·3	120·5
Latvia	85	108	120	137	8,456	13,363	16,115	17,817	99·2	123·7	134·3	140·3
Lithuania	141	178	179	184	15,361	20,013	21,108	25,068	106·2	114·4	118·9	136·3

* 1937: provisional figures only.

The cultivation of flax tended to decrease somewhat, owing largely to unfavourable conditions in international markets, particularly to the competition from Russia. The decrease would no doubt have been greater but for the fact that the textile industries of Estonia and Latvia tended to increase their consumption of flax after 1931 in order to save foreign exchange. The figures are shown in Table 35. On the other hand, a really important development was the growth in the cultivation of sugar-beet in Latvia and Lithuania. This was greatly encouraged by the establishment of sugar-beet factories

[1] It will be noted, however, that the harvest of 1936 was well below the 1931–5 average.

[2] In Estonia the Government has encouraged rye-growing since 1930 by purchasing the su[illegible] crop during the autumn at fixed prices.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB2

bread and various kinds of gruels. That Lithuania is the greatest rye producer of the three Baltic states, Estonia, Latvia, and Lithuania, is shown by Table 13.

TABLE 13

PRODUCTION OF RYE IN THE BALTIC STATES[a]

(*In Thousands of Quintals*[b])

YEAR	LITHUANIA	LATVIA	ESTONIA
1925–29 (av.)	5,175	2,371	1,508
1930–34 (av.)	5,746	3,148	2,013
1935	6,406	3,639	1,728
1936	5,413	2,860	4,215
1937	6,069	4,215	2,115
1938	6,237	3,802	1,880
1939	6,510	4,291	2,280

[a] League of Nations, *Statistical Year-Book of the League of Nations*, 1937–38; C.S.B., 1938, p. 114.

[b] One quintal equals 220.46 pounds. See footnote b of Table 11 for equivalent in U.S. bushels.

Wheat is also one of the important food products of Lithuania. In the pre-war period of 1909–13, 202,000 acres were used annually for wheat, while in 1935, 535,009 acres were used for this crop, of which 414,041 acres, or 77.2 percent, were used for winter wheat and 301,383 acres, or 22.8 percent, for spring wheat.[28] The growing of wheat in Lithuania is increasing much faster than the growing of any other grain. In 1938 about two and a half times more land was used for wheat than in 1909–13. This increase may be observed particularly regarding spring wheat.

From the data of Table 14 we see that Lithuania produces more wheat than either of the other two Baltic states. Since bread in Lithuania is made principally of rye flour, there is

[28] *Lietuvos Surasymas*, 1935, p. 18.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1

TABLE 14

PRODUCTION OF WHEAT IN THE BALTIC STATES

(*In Thousands of Quintals*)

YEAR	LITHUANIA	LATVIA	ESTONIA
1925–29 (av.)	1,653	626	275
1930–34 (av.)	2,475	1,498	600
1935	2,747	1,775	617
1936	2,197	1,435	662
1937	2,207	1,715	758
1938	2,512	1,918	861
1939	2,565	1,974	855

a considerable surplus of wheat; the greater part of this surplus is exported and the rest is used for the feeding of home fowl and livestock. As the climate of Lithuania is favorable for wheat growing, further expansion in the size of the wheat crop may be expected.

Oats, which are used mostly for livestock fodder, especially for horses, have almost no use in Lithuania as a food for the population. This crop had expanded substantially in the post-World War period. In 1909–13 it was included with fodder mixture, this entire category accounting for 783,801 acres, while in 1938, 877,400 acres were used for oats alone and another 277,246 acres were used for the growing of fodder mixture.

Barley is used in Lithuania chiefly as fodder for pigs. As pig breeding has expanded since the World War, a larger area is being used for barley growing. It is estimated that in the period 1909–13, 452,700 acres were used for that crop; in 1935 the figure increased to 507,963 acres, in 1938 to 536,300 acres, and further expansion was expected under normal conditions.